

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 41 (MC2012-39)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2012-47

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 1**  
(January 12, 2016)

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 1, issued January 7, 2016. Responses were due January 12, 2016. Each question is reprinted verbatim in the attached, and is followed by the Postal Service's response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

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January 12, 2016

RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 1

1. In Docket No. ACR2015, Library Reference USPS-FY15-NP27, "Priority" folder, Excel file "TRACS HWY cost per mile FY15," tab "cost per mile," cell F10, the FY 2015 Inter-SCF average cost per mile is different than the average cost per mile used in the NSA financial model in this proceeding.
  - a. Please confirm that the cost per mile input in the Contract 41 Excel file, tab "Partner Unit Costs," cells C14-F14 (Inter-SCF cost per mile) is based on an average from FY 2015 Quarters 2, 3, and 4.
  - b. If confirmed, please explain why the FY 2015 Inter-SCF cost per mile is not used.
  - c. If not confirmed, please provide the source of the average Inter-SCF cost per mile used in the model.

**RESPONSE:**

- a. Confirmed.
- b. Data for cost per mile for Quarter 1 of each year can be unreliable because of the holiday shipping season. For example, additional ad hoc transportation is purchased during Quarter 1 to accommodate the additional holiday volume, but the miles for this ad hoc transportation are not recorded reliably, which can skew the cost per mile data for Quarter 1. Thus, the average of the Quarters 2, 3, and 4 data is used.
- c. N/A.

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2. Please specify whether any additional inputs to the NSA financial model in this proceeding rely on partial FY 2015 data. If so, please specify which inputs, the reason(s) for relying on partial FY 2015 data, and explain any adjustments made to account for partial year calculations.

**RESPONSE:**

No additional inputs rely on partial FY 2015 data.